



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

September 18, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich
From: 
William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

AB 811 IMPLEMENTATION – BI-MONTHLY REPORT FOR SEPTEMBER 2009

On April 14, 2009, your Board directed the Chief Executive Office (CEO), in coordination with the Treasurer and Tax Collector (TTC), Internal Services Department (ISD), and the Energy and Environmental Policy Team, to provide monthly status reports on progress in establishing a countywide energy efficiency and renewable energy financing program pursuant to AB 811, Chapter 159 Statutes of 2008. In the July status report we indicated the reports would be issued bi-monthly.

Your Board also directed that the report should include: a schedule that would permit the utilization of American Recovery and Reinvestment Act (ARRA) Federal Energy Efficiency and Conservation Block Grant (EECBG) or other Stimulus-related funding which necessitated having a program in place by July 2009; an assessment of financial viability; and an inventory of other appropriate funding sources.

Summary of Activities

Schedule Update

AB 811 Milestone Timeline			
Date	Milestone	Key Document/Activity	Responsibility
June 2009	Initiate Outreach to Other Cities and Stakeholders	Conduct Stakeholder Input and Information Meetings	CEO, ISD

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

<u>AB 811 Milestone Timeline</u>			
Date	Milestone	Key Document/Activity	Responsibility
July 2009	Initiate Financial Analysis	Program Financial Model	TTC
October 2009	Program Designer, Implementer under Contract	ISD Energy Support Services Master Agreement	ISD
November 2009	Complete First Phase Outreach to Other Cities to Include in Resolution	Cities must adopt a Council Resolution agreeing to join the County's program to participate.	CEO, ISD
November 2009	File Resolution of Intention and Other Legal Documents	Resolution of Intention, Program Boundaries Program Technical Scope Program Financial Report Form of Individual Contractual Assessment Form of Indenture Program Administrative Manual County Assigned Delegated Representative to Sign Agreements	TTC, County Counsel ISD, Consultant TTC, CEO ISD, County Counsel TTC, Bond Counsel ISD, Consultant, County Counsel CEO, ISD
December 2009	Board Hearing to Establish District and Confirm Report (Policies and Financing Plan)	All documents final	TTC, ISD, Consultant
January 2010	Program Implementation Underway	Marketing, Outreach Projects Assessment	ISD, Consultant
January 2010	Initiate Validation Lawsuit		Bond Counsel, County Counsel
April 2010	Conclude Validation Process		Bond Counsel, County Counsel
April 2010	Begin Financing Programs	Financing Available for Initial Loans	TTC, CEO, ISD

Stakeholder Outreach

As follow-up to the June 24, 2009, AB 811 informational workshop hosted by the County for all cities, ISD, TTC, and CEO have been working with individual cities and Council of Governments (COGs) to provide further information and proposed next steps for those interested in joining the County's program.

On July 30, 2009, the County provided an AB 811 program update to the Contract Cities Association in Norwalk and to the South Bay Cities COG Energy and Environmental Committee in Torrance.

On August 20, 2009, a County AB 811 update was featured in the San Gabriel Valley COG Energy Committee meeting in Duarte.

The County has previously met with the City of Los Angeles' (City's) Mayor's Office and various city departments to present an update on the program. The City has, so far, indicated their willingness to join in the County's program.

On September 24, 2009, the County will host an initial stakeholder meeting for cities and COGs to discuss the design and development of the County AB 811 program and to clarify cities' roles in the program.

Additional stakeholder meetings will be conducted by the County and will include: utilities, green job training program administrators, building contractors, trades representatives, finance industry representatives, real estate industry representatives.

Green Jobs Training Coordination

The Internal Services Department and the CEO have met with Los Angeles Community College District (LACCD), the County Department of Community and Senior Services, the Los Angeles County Workforce Investment Board (WIB), and the South Bay Workforce Investment Board in order to update those agencies on the County's AB 811 program.

The Los Angeles Community College District and the County WIB are applying for green job training grants through the Federal Department of Labor and the CA Energy Commission (CEC). These grant opportunities are described below. The County's AB 811 program could create tremendous demand for green jobs and it is important that entities like the LACCD and the County WIB meet this potential demand by including job training and certification which support the work created under an AB 811 program.

Additional Grants in Support of AB 811

The State of California, through the CEC, has announced its State Energy Program (SEP) grant which utilizes funding from ARRA directed to State energy agencies. The CEC competitive grant program offers \$96 million in 4 key categories which will support the County's AB 811 program. Grant applications are expected to be submitted in early October of this year. The CEC SEP competitive grant program categories are described below:

- 1) Direct support to local governments who have committed to implementing community energy financing programs under AB 811 or other legislation. That support includes funding for: initial loans, start-up costs, initial operating costs, project incentives, and/or interest-rate "buy-downs."
- 2) Implementation of "whole house" energy programs into AB 811 type programs. The Program objective is to integrate various "tiers" of packaged energy programs which include: residential energy audits, benchmarking, inspections, and project installations to ensure optimum levels of energy efficiency are achieved in existing homes. Funding will be provided for incentives, marketing, and outreach, and supporting specific green job-training initiatives.
- 3) Development of green workforce development programs. Funding will be provided only to either Community College Districts or Workforce Investment Boards to develop job training programs that support the residential energy program "tiers" described above.
- 4) Implementation of targeted technology measures for municipal and commercial buildings. Funding will be provided for the development of regional proposals that: target specific energy efficiency measures in commercial buildings, provide technical support and outreach, and create programs which will "transform" the market for these technologies. The County will work with other partners to provide marketing, outreach, education, and financing for targeted energy efficiency measures under its AB 811 program.

Financial and Bond Counsel Activities

Treasurer and Tax Collector's financial advisor has developed an initial financial model, which assesses the program's economic feasibility based on a number of variables including: dollar amount of projects financed, number of projects financed over time, interest rate for individual loan agreements, repayment period, administrative costs, timing of bond sales, and projected bond interest rates. The model will help the County

Each Supervisor
September 18, 2009
Page 5

team determine what loan rate to charge property owners and how best to meet the cash flow needs of an AB 811 program. Initial findings from the feasibility analysis indicate that both grant monies and a cash subsidy from the County may be required during the initial stages of the program. The AB 811 program can become self-sustaining over time, but not without some level of assistance during its early years.

Treasurer and Tax Collector has also hired bond counsel to provide advice on bond sales and to assist in the development of program legal documents, which will be included in the Board Resolution to adopt the AB 811 program. Bond counsel has previously provided a memorandum confirming the priority status of contractual assessments under AB 811 and establishing the steps necessary for the County to develop a clean energy financing program.

If you have any questions, or require further information on this matter, please contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186, or via e-mail at esandt@ceo.lacounty.gov.

WTF:ES
LS:HC:os

c: Executive Officer, Board of Supervisors
Acting County Counsel
Director of Internal Services
Director of Public Works
Treasurer and Tax Collector